

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-308

SYNOPSIS -

AGENDA:

JUNE 28, 1999

City Council approval of the Neighborhood Revitalization Board's (NRB) recommendations for reprogramming unspent Community Development Block Grant (CDBG) funds from previous years and allocation of additional CDBG funds received in Program Year (PY) 1999.

SUBJECT:

COMMUNITY
DEVELOPMENT
BLOCK GRANT
REPROGRAMMING

FISCAL IMPACT -

As described below, this action will allocate unspent CDBG funds from previous years (\$120,505) and also allocate additional funding (\$31,000) received in PY 1999. The unspent CDBG funds will be reprogrammed for current projects.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

BACKGROUND -

The following is a list of unspent and/or unallocated CDBG funds available for reprogramming:

<u>Project</u>	<u>Amount</u>
Food Pantry	\$ 9,446
Community Preservation	5,616
HOME, Inc. (Home Opportunities Made Easy)	13,797
Mid-city Business	99
Neighborhood Conservation Services (NCS)	42,529
Greater East Side Development (GESD)	4,168
Concentrated Code Enforcement	15,509

Spring Clean-up and Removal of Urban Blight (SCRUB)	17,021
Operation Downtown	688
Recreational Activities Program (RAP)	2,055
Acquisition Rehab	9,577
Subtotal	\$120,505
Additional 1999 CDBG Funds	31,000
Total	\$151,505

The unspent funds remaining in NCS and Acquisition Rehab are the result of program income earned too late in the program year to allocate for 1998 rehabilitation projects. Unspent funds in Code Enforcement resulted from a change in how inspectors' time is charged to CDBG.

Funds remaining in the SCRUB project are because of the unpredictability of whether clean-ups are held in CDBG eligible or ineligible neighborhoods and the volume of trash collected.

Remaining funds in the other projects are attributed to position vacancies, program income, and/or lower costs than expected.

The 1999 CDBG entitlement is \$31,000 more than originally projected before submission of the Consolidated Plan in November 1998.

At the public hearing on November 2, 1998, the City Council approved the 1999 Consolidated Plan with \$350,000 allocated for demolition. The Council indicated at that time that a \$50,000 reduction in the original request could be restored with reprogramming funds.

The City Council also reduced the Neighborhood Site Office allocation by \$60,000 in order to fund the Boys & Girls Club. The City also indicated that reprogramming funds could be used to restore the recommended allocation for the site offices.

At their meeting on June 16, 1999, the NRB approved a motion to recommend to the City Council that the reprogramming funds be allocated as follows:

· 1999 Demolition	\$50,000
· Neighborhood Site Offices	\$70,000
· PY 2000 Consolidated Plan	\$31,505

I agree with the NRB's recommendations. The Site Office funding is \$10,000 more than the amount reallocated on November 2, 1998. However, the Site Office budget for the last quarter of 1999 is dependent on federal allocations for the Community Services Block Grant and the Low-income Home Energy Assistance Program. If these amounts are less than what the City projected several months ago, site offices may not be able to deliver current programs and services. If the funding projections are accurate, the \$10,000 can be reprogrammed in PY 2000.